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LETTER

FROM

THE SECRETARY OF THE TREASURY,

TRANSMITTING

A REPORT

OF

SUCH MEASURES AS MAY BE NECESSARY

FOR

THE MORE EFFECTUAL EXECUTION OF THE LAWS

FOR

THE COLLECTION OF THE DUTIES

OR

IMPORTED GOODS, WARES, AND MERCHANDISE;

*Prepared in obedience to a Resolution of the House of Representatives of the 28th of February, 1817.*

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JANUARY 20, 1818.

Read, and referred to the Committee of Ways and Means.

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WASHINGTON:

PRINTED BY E. DE KRAFFT.

1818.

LETTER

THE SECRETARY OF THE TREASURY

A REPORT

ON THE

THE MORE EXTENSIVE SYSTEM OF THE LAW

THE COLLECTION OF THE DUTIES

IMPORTED GOODS, WARES, AND MERCHANDISE

PREPARED BY THE COMMISSIONER OF THE CUSTOMS AND EXCISE

JANUARY 25, 1812

Printed and sold by the Commission of the Treasury

WASHINGTON

Printed by G. B. RILEY

1812

## TREASURY DEPARTMENT,

JANUARY 19, 1818.

SIR,

I have the honor to transmit herewith, a report prepared in obedience to a resolution of the House of Representatives of the 28th of February, 1817.

I have the honor to be,

Very respectfully,

Sir,

Your most obedient servant,  
WM. H. CRAWFORD.

*The honorable the Speaker  
of the House of Representatives.*

1891

THE

REPORT

OF THE

COMMISSIONERS

OF THE

LAND OFFICE

FOR THE YEAR

1891

IN

ANSWER

TO A RESOLUTION

PASSED BY THE

LEGISLATIVE ASSEMBLY

ON THE 11TH MARCH 1892

BY

THE

GOVERNMENT

OF

INDIA

IN

1892

In obedience to the resolution of the House of Representatives of the 28th of February, 1817, directing the Secretary of the Treasury to report to Congress at their next session, "such measures as may be necessary for the more effectual execution of the laws for the collection of the duties on imported goods, wares, and merchandise," I have the honor to

#### REPORT:

That shortly after the close of the last session of Congress, measures were adopted as well for the detection of the frauds, which might be committed upon the revenue, as for ascertaining the defects of the collection laws.

The collectors of the customs, under an express injunction\* to inform the Department of every attempt to evade the provisions of the existing laws which should be discovered, accompanied by suggestions of the remedy best calculated to repress the evil, made no communication whatever upon the subject. Considering that this experiment was made without previous notice to those concerned in importations, and for more than six months of the most active commerce in our ports, the tacit evidence of the collectors, that frauds are not committed to any considerable extent, and that the provisions of the collection laws are not materially defective, appears to be well calculated to command respect.

Notwithstanding the result of this experiment, there is just reason to believe that frauds to a considerable extent have been, and now are committed upon the revenue, in the importation of articles upon consignment, paying ad valorem duties.

The practice of shipping merchandise from Europe to the United States on account of the foreign shipper, has greatly increased since the late peace. The immediate cause of this increase may be probably found in the general distress which at, and since that epoch, pervaded universally the manufacturing establishments, from whence our supply of foreign merchandise has been principally derived. The manufacturers unable to dispose of the products of their labor in their accustomed markets, assumed the character of exporting merchants, and shipped their merchandise directly to the United States, where it has been sold by their agents, or consignees. In adopting this course, not only the fair profit of the manufacturer and exporting merchant is concentrated in the hands of the latter, but also the loss which the revenue sustains by invoicing the merchandise at the actual cost of the raw material, and the price of the labor employed in its manufacture. Should any part of this profit not be realized, from the circumstance of the merchandise being sold in a glutted market, or from any other cause, the articles reach the hands of the consumer at a rate lower than it could be sold by the fair American importer. In either event, the honest American merchant is driven from the

\* See the Treasury circular of the 7th May, 1817, hereto annexed.

competition, and in the latter, the domestic manufacturer is deprived of the protection which was intended to be secured by the legislature. But, independent of this evasion of the revenue laws, which, by those who practice it, may be deemed consistent with the principles of morality, a practice of a less equivocal character is known to exist in importations, made by foreign merchants upon consignment. There is abundant reason to believe, that it is now customary in importations of this nature, to send with the merchandise, an invoice considerably below the actual cost, by which the entry is made and the duties secured. Another invoice at, or above the natural cost, is forwarded to a different person, with instructions to take and sell the goods by such invoice.

In this manner the person who enters the goods remains ignorant of the fraud to which he has been innocently made a party, and the fraudulent importer escapes with impunity. The facility with which frauds may be practised by permitting entries to be made by persons who know nothing of the correctness of the invoices by which the duties are to be ascertained, so strongly invites to the substitution of false, for true invoices, that the practice must necessarily become universal, if suitable checks are not devised against it. It is also ascertained that resident merchants have in some instances connected themselves with foreign mercantile houses, which are in the habit of purchasing cloths of every description in their rudest state of manufacture, which are in their hands brought to the highest state of perfection by dying, dressing, or bleaching according to the kind of cloth purchased. Such articles are invoiced at the price given for them in their unfinished state of manufacture, and upon those invoices the duties are estimated. Connections of this kind will necessarily increase, and eventually embrace the whole catalogue of articles paying ad valorem duties, unless checks calculated to repress the evil, are promptly devised and applied.

The practice of entering goods without invoice is another mode now frequently resorted to, for the purpose of evading the payment of the duties which are legally demandable upon them. In these cases and indeed in all cases, where the collector shall suspect that the invoices are fraudulent, the resort to appraisement authorised by law is generally found to be in favor of the importer, and against the government. This may in some measure be attributable to the defect of the existing provisions upon that subject, but the universal experience of every department of the government proves the danger there is of submitting any question to the decision of persons acting as arbitrators between the United States and individuals. In most cases of this kind the appraisors are influenced by a morbid sensibility which almost invariably impels them to sacrifice the interest of the nation to that of the individual. Independent however of this indefensible principle of action, there must necessarily exist in most cases of appraisement under the collection laws, some individual bias in favor of the importer. The decision is to be made

by merchants, and if made in favor of the government, the reputation of the party in interest must be seriously affected. The persons called upon to decide may themselves be placed the next day, in a situation to have their reputation assailed by the same means. The great body of the merchants, may in the question under consideration be viewed as a distinct community, bound together by ties generally inscrutable to the collector; performing successively for each other, acts by which their pecuniary interests oftentimes acquire a unity, totally incompatible with the disinterested discharge of the duties of an appraiser. Should however the appraisal in despite of all these obstacles, correspond with the impressions of the collector, and seizure of the merchandise be made, the party is allowed to prove the actual cost of the articles, and time is generally allowed by our courts, for the examination of witnesses beyond the seas. The result of an investigation under such circumstances can hardly be considered doubtful. In making these observations, no imputation upon the character of the American merchant is intended. As a body of men they are highly respectable for their intelligence, integrity and respect to the laws. So far as they are directly concerned in importations, I believe with the collectors of the customs, that the revenue has been generally fairly paid. But it is impossible that the high character which they have hitherto maintained, should be preserved against the ruinous competition in which they have since the peace, been engaged, unless the frauds practised by the foreign importer shall be effectually restrained. Indeed there is some reason to believe, that some among them have already resorted to practices, not effectual for evading the payment of duties justly demandable of them, than those which have been, with so much success, employed by foreign importers. It has frequently happened that a vessel bound to a particular port, is freighted by merchants residing in the principal commercial cities. In such cases the goods have generally been entered by an agent or consignee, residing in the port where the vessel arrives, and the goods so entered are reshipped in their original packages to the ports where the owners severally reside, or to other ports of the United States. The entries are consequently made upon such invoices as are forwarded to the agent or consignee, of the correctness of which, he is wholly ignorant: The goods thus reshipped in the original packages having undergone no examination are not subjected at the port to which they are reshipped to that kind of examination which they would have undergone, had they arrived directly from a foreign port. The importer therefore not only avoids the necessity of swearing to the correctness of the invoices, but also eludes the vigilance of the custom house, as his merchandise at the port where it is opened, and sold, has acquired the character of articles upon which the duties have been paid or secured. Cases of this kind have so greatly increased since the war, that it is difficult to avoid ascribing the increase in some degree to motives incompatible with the high character for integrity, and respect for the laws, which the American merchants as a body of men have so justly acquired.

There is some reason to believe that evasions are sometimes practised under color of discounts allowed on the prices charged in the invoices. Under the Treasury regulations no conditional discounts are allowed; but it is extremely difficult to ascertain whether they are absolute or conditional.

In order to provide an adequate remedy against the frauds and evasions which already exist, and to prevent their further increase, it is respectfully submitted that provisions to the following effect be adopted:

1. No goods to be admitted to entry where the invoices are not produced, except goods taken from wrecks, and under other circumstances which preclude the possibility of producing them.

2. In every entry of goods subject to duty, the party making the entry to state upon oath whether he is the owner, and if not, to state the name and residence of such owner.

3. Every oath of entry in addition to what is now required shall state that the invoices produced exhibit the true correct value of the article in the state of manufacture, in which the goods then are.

4. If the goods do not belong to the person who enters them, bonds shall be given as in case of an agent, that the owner shall in due form of law, verify the invoices by which the entry is made, or produce other invoices verified in like manner.

5. That where goods are reshipped coastwise, in the original packages, invoices certified under the hand and official seal of the collector, must be produced at the port to which they are shipped, and the same inspection shall take place, as if the vessel should arrive direct from a foreign port; on failing to produce such invoice, the vessel and goods to be forfeited.

6. That after the — day of — next, no entry of merchandise paying ad valorem duties, shall be made upon any invoices where the owner resides out of the United States, which shall not be verified by the owner in the manner required by the foregoing provisions, before the American consul at the port of shipment, or of some other port. And such owner shall further state, whether he is the manufacturer of the goods described in such invoices, in which case he shall further swear, that the prices charged are the current value of the articles, and such as he would have demanded, had they been sold in the usual course of trade.

7. That for the appraisement of goods in all cases required by these provisions, there shall in each of the principal ports be appointed, two persons well qualified to perform that duty, who, together with a respectable merchant to be chosen by the party in interest, shall upon oath, make such appraisement. In every case the merchant selected by the party in interest, shall, upon oath, declare that he has no direct or indirect interest in the case. In the smaller ports, an inspector of the revenue best qualified for that purpose, and a disinterested merchant selected by the collector, and another by the party in interest, shall be the appraisers.

8. Merchants selected by the parties in interest and by the collectors, shall be compelled to serve by the enactment of suitable penalties. The compensation to be allowed them, to be equal to the rate received by the appraisers.

9. In all cases where there shall be just grounds to suspect that goods paying ad valorem duties, have been invoiced below their actual cost, the collector shall order them to be appraised in the manner already described; if the appraisement shall exceed by — per cent. the invoice prices, then, in addition to the per cent. laid upon correct and regular invoices by the existing laws, there shall be added — per cent. upon the appraised value, upon which aggregate amount the duties shall be estimated.

10. One half the duties accruing upon such additional per cent. shall be distributed according to law, between the custom house officers of the port.

11. The same proceedings shall be had in all cases coming within the 6th provision proposed, where the invoices are not verified before an American consul. The same additional per cent. shall be laid upon the appraised value, as in case of fraudulent invoices.

12. But no such addition shall be made in any case where the goods are shipped from a country or state, in which no American consul resides.

13. Nor shall such appraisement be necessary where the foreign owner is present and enters the goods.

14. The same appraisement shall be made, previous to the entry of the goods taken from wrecks; and also where a reduction of duty is claimed, on account of the goods being damaged in the course of the voyage.

15. The expenses of appraisement shall be borne by the owners of the goods in all cases, except where the appraisement ordered in the allegation of fraudulent invoices, shall not subject the owner to the additional per cent. directed by the foregoing provisions, and in cases of goods taken from wrecks.

16. The appraisers in the principal ports shall receive as a compensation for their services, — dollars per annum. The inspectors in the other ports who shall perform the duties of appraisers, shall receive the full allowance of inspectors, whether they are actually employed throughout the year or not.

17. In every case of entry upon invoices, the collector of the port where the entry is made, shall certify the invoices under his official seal. In all contestations concerning the said goods, no other evidence of the value thereof, shall be admitted in any court of the United States, on the part of the owner of such goods.

18. Counterfeiting any certificate required by these provisions, to be felony.

19. That for every verification of invoices before an American consul, there shall be paid by the party making the oath, the sum of — dollars, for the use of such consul.

20. That no discount be allowed except where the oath of entry, or that taken before the American consul, shall expressly state, that it has been actually allowed to the purchaser, in the payment made by him for such goods.

21. That the collectors of the different ports be authorized at their discretion, or upon instructions from the Treasury Department, to subject to the most rigid inspection, a certain proportion of the packages imported into their respective ports, and if they are not agreeable to invoice, or falsely charged, a full inspection of the whole shall be made. Where any package shall contain articles not described in the invoice, the whole package to be forfeited.

22. Every bond taken for duties shall be executed by at least one American merchant, or by a foreign merchant, who has resided at least — years in the United States, and has held by lease during that time, a tenement of the yearly rent of at least — dollars.

23. The bondsmen to be liable for any pecuniary penalty incurred, by frauds on the revenue. Such liability to cease upon the delivery of the goods subject to forfeiture.

24. The execution of a bond for the payment of duties by one partner to bind the firm.

The adoption of the foregoing provisions will, as far as it is practicable, prevent the entry of foreign goods without an appeal, under the sanction of an oath, to the conscience of the party who is in possession of all the circumstances connected with the purchase of them in foreign countries. Where this oath is not obtained, the provisions are intended to guard against decisions injurious to the government from indirect interest, or from the more general inclination which seems to exist in the community, to favor the interest of individuals, at the expense of the nation.

Whatever may be the reliance which ought to be placed in the efficacy of the foregoing provisions, it is certainly prudent to diminish, as far as practicable, the list of articles paying ad valorem duties.

The best examination which circumstances have permitted, has resulted in the conviction that the following list of articles now paying ad valorem duties may be subjected to specific duties, viz:

	Cents.
Anvils - - - - -	2 per lb.
Axes, broad - - - - -	30 each
narrow - - - - -	25
hatchets - - - - -	15
adzes - - - - -	25
Augurs, not exceeding half an inch - - -	1 1-2
above that size, and not exceeding one inch -	2
above an inch, and not exceeding 1 1-2 inches -	2 1-2
above that size - - - - -	3
Chissels, not exceeding half an inch - - -	1
above that size, and not exceeding 1 inch -	1 1-2
above an inch, and not exceeding 1 1-2 inches -	2
above that size - - - - -	2 1-2

	Cents.
Hammers, blacksmith's	2 1-2 per lb.
claw-hammers (carpenter's)	5 each
Hoes broad	12
narrow	10
Knives, currier's	40
cutting	25
drawing	25
Scyths	25
Reaping hooks or sickles	5
Rakes	10
Saws, cross cut	100
whipsaw	100
handsaw	25
tennorsaw	20
Spades	15
Anvils, cast iron	1 per lb.
wrought iron	50 per pair
brass, or of brass and any other metal	200
Fenders, iron	100 each
of brass, or steel, or parts of either	200
Shovels and tongs, iron	30 per pair
steel, or brass, or parts of either	75
Muskets	150 per stand
Rifles	250 each
Fowling and hunting pieces, single barrel	400
double barrel	500
Cannon, cast iron	2 per lb.
brass	5
Frying pans	25 each
Gridirons and griddles	20
Vessels, cast iron, not otherwise specified	2 1-2 per lb.
Vessels, of copper	10
of pewter, including dishes, plates, basons,	
tankards, spoons, and other utensils, not	
specified	3
Tin, in sheets or plates	4
Bandana, flag, and other silk kerchiefs, from India,	
not exceeding 36 inches square	15
above that size	20
Cards, for carding	20 each.
Cotton bagging	6
Drugs, aloes	2 per pound.
ammoneacum, (gum)	4
arabic, (gum)	2
assafactida, (gum)	5
sengal, (gum)	1
guaiacum, (gum)	2

	Cents.
Drugs, cream tartar	1
jalap	3
ipecacuanha	10
Gloves or mits—long silk	100 per doz.
short	60
childrens	40
long cotton	70
short	50
childrens	30
Hats, woollen or felt	} 20 each.
men or womens'	
childrens	
beaver, men or womens'	
children	50
Hams, and other bacon	3 per pound.
Honey	6 per gallon.
Hair powder	6 per pound.
Horns—ox	75 per 100
Horn tips	50 ditto
Horse hair	2 per pound.
Leather, soal	8
dressed	10
Lard	2
Lemons	25 per 100.
Limes	10
Liquorice	2 per pound.
Mahogany	1 per c. foot.
Madder	1 per pound.
Mustard, (except seed)	10
Nankeens, India short pieces, not exceeding seven yards	25 per piece.
and eighteen inches in breadth	
India, long, not exceeding ten yards, and	
twenty-five inches in breadth	40
Pieces, exceeding these dimensions, the duty	
to be in proportion to the foregoing rates:	
Oil—olive, in bottles	40 per gallon.
caster	20
linseed	20
Olives	50
Capers	50
Oranges	50 per 100
Opium	25 per pound.
Pickles	10 per groce.
Pine apples	2 each.
Pipes—smoking	10 per groce.
Prussian blue	10 per pound.
Preserves, comfits, and sweet meats, in sugar or brandy	10

	Cents.
Quick silver - - - - -	5 per pound.
Rice - - - - -	50 per 100
Rhubarb - - - - -	4 per pound.
Saltpetre—refined - - - - -	2
crude - - - - -	1
Slates - - - - -	1 each.
Saddle trees - - - - -	25
Snake root - - - - -	2
Saffron - - - - -	2
Senna - - - - -	2
Sasaparella - - - - -	2
Stockings, silk, or where silk is the principal ma-	
terial, whole - - - - -	240 per dozen.
half ditto - - - - -	150
quarter ditto - - - - -	75
Cotton, wool, or flax, whole - - - - -	150
half - - - - -	80
quarter - - - - -	35
Childrens—the duty upon the quarter re-	
spectively.	
Vitriol - - - - -	4 per pound.
Umbrella or parasol, covered with silk - - - - -	100 each.
cotton - - - - -	60
Sticks and frames - - - - -	30
Wool—blankets - - - - -	20 per yard.
carpets, inferior to Brussels - - - - -	25
Brussels, and others, superior - - - - -	35
Flannels, or cotton mixtures - - - - -	12

At present Bohea tea pays a duty of twelve cents a pound, while all other black teas pays twenty five cents. The great difference in the duty paid by these kinds of teas, and the difficulty in distinguishing between them, have, it is believed, led to the commission of frauds upon the revenue, by importing under the name of Bohea, every species of black tea. As the whole of these teas in common with Bohea, have grown into general use among the poorer classes of the community, the propriety of considering them all to be of the same class, for the purpose of duties, and of laying upon them, eighteen cents a pound, instead of the duties now imposed, is respectfully suggested.

By the present tariff, Madeira, Burgundy, Champaign, Rhenish, and Tokay wines, pay 100 cents a gallon, and Sherry and St. Lucar, 60. All other wines when imported in bottles or cases, pay 70 cents a gallon. This last duty principally affects the claret wines of France, which, at the principal port of shipment, do not generally cost 10 cents a gallon. A small portion, however, of these wines, sell as high in Bourdeaux, as Madeira wine in the United States. The small quantity of this quality of wine produced in France, and the

great demand for it, produced by the necessary supply for the tables of the rich in that and the neighboring countries, will never admit of any considerable importation of it into the United States. To determine the duty upon claret, with a view to this inconsiderable portion of it, does not appear to be judicious. Considering the cheapness of the common clarets, and the salutary effects produced by them, compared with most other wines, the expediency of reducing the duty to a more reasonable proportion to the cost of the article, is respectfully suggested. A duty of 30 cents a gallon upon all claret imported in bottles, or cases, and of 15 cents when imported in any other manner, would be higher than the duty now imposed upon Madeira wine in proportion to their respective cost.

Smuggling, by the introduction of articles clandestinely and without entry, is principally confined to the eastern section of the sea coast; to the points of the coast bordering on east and west Florida, to the coast west of the mouth of the Mississippi river, and to the inland frontier. The vigilance of the custom houses with the aid of revenue cutters and of some additional provisions which have been suggested by experience, will be sufficient to repress practices of this kind, which are necessarily resorted to, only by persons in desperate circumstances, and consequently, are carried on upon a contracted scale, compared with the great mass of importations into the country. The multiplication of small ports of entry in the Chesapeake Bay has probably, and certainly according to public opinion, given rise to more smuggling than any advantage fairly resulting to the inhabitants of those ports from their establishment, will compensate. As a measure well calculated to aid in repressing this kind of smuggling, it is proposed to authorize the commanders of the revenue cutters to require the production of the manifests of the cargo of all vessels boarded by them, when an officer of the customs is not present, and that they be empowered to perform all acts which an inspector or other revenue officer would be permitted to perform, in relation to the manifests so produced.

It is also respectfully suggested, that provision be made for requiring of all pilots licensed under the state laws, to report under the sanction of an oath, every vessel piloted by them into any port or place, to the collector of the port to which they belong, as well as to the collector of the district into which the vessel is piloted within ——— after such vessel is conducted to its place of destination. On failure to comply with this provision, to be fined ——— dollars or imprisoned ——— months, and upon second conviction of the same offence, to be rendered incapable of exercising the functions of pilot, in addition to the penalties prescribed for the first offence: or the pilots might be sworn not to pilot any vessel arriving from any foreign port, into any other than a port of entry, and bonds might be required to that effect.

The difficulties which have been experienced in the execution of the commercial convention between this country and Great Britain,

resulting from the entire independence of this class of men, of the laws of the Union, regulating foreign commerce; and which have produced serious reclamations on the part of the British government, may suggest the propriety of extending the authority of the federal government over them, still further than the safety of the revenue may require.

More effectually to guard against smuggling upon our inland frontier, it is necessary that provisions of the following nature be adopted:

1. That all boats, skiffs, and other craft of every size and description, be compelled to enter and clear in all the waters bordering upon the British possessions, and that for every violation of this provision, and for unloading without such entry, the boat, skiff, or craft, with tackle, rigging, and cargo to be forfeited.

2. That every wagon, sleigh, or any other vehicle, in which goods are found subject to duty which have not been entered, shall, with the team by which they are respectively drawn, together with the goods, be forfeited; and the party shall, moreover, forfeit and pay double the value of such goods.

3. That it shall be lawful for any person importing foreign merchandise by land from the British dominions in America, to enter such goods at the office of the nearest deputy collector, to the road by which they are imported, and in all cases where goods so imported, shall be found not being entered after having passed by such office, they shall be liable to seizure and condemnation, as being illegally imported.

Upon the whole of our inland frontier, bordering upon the British possessions, an impression generally prevails, that injustice is suffered by the inhabitants, from being subjected to a higher rate of duty upon all merchandise imported from these possessions, than is paid by that portion of their fellow citizens who receive their supply of foreign merchandise from the Atlantic ports. This impression has enlisted the feelings and sympathies of the people, in favor of the illicit introduction of foreign merchandise, by which the revenue is greatly defrauded, in proportion to the importations which are made from the British possessions. The loss of the revenue, however, is but a secondary object in the consideration of this subject. The influence which the continuation of this state of public feeling, must necessarily have in corrupting our citizens, and producing an habitual disrespect for the laws, demands the peculiar attention of the legislature. If the inequality in the contributions paid by the consumers of merchandise imported from Canada, can be destroyed, there is just reason to believe, that public opinion will, upon that frontier be enlisted on the side of the laws, and that smuggling will be considered as disgraceful there as on the Atlantic coast.

It is, therefore, respectfully submitted whether it is not expedient to provide that in all cases of importations into the United States, from Quebec, Montreal, or any other commercial town in the British

territories, the duties shall be estimated upon the cost of the articles at the place of original purchase, under the following regulations, viz:

1. The merchant from whom the goods are brought in the British dominions shall, before the mayor of the city, or a judge of a court of record, and in the presence of the purchaser and importer into the United States, produce a copy of the original invoice and swear that it contains an accurate statement of the price given for the goods described in their then state of manufacture.

2. The importer into the United States shall produce the copy of the original invoice so verified, and also a copy of the invoices of the goods purchased by him, accurately exhibiting the current value of the said articles at the place of purchase, and which has been paid, and shall upon oath declare, to the correctness of the latter, and that the former was verified in his presence.

The adoption of regulations of this kind it is believed, will effectually guard the revenue against frauds and evasions arising from attempts to enter merchandise below its real cost, and may have the happiest effect in discountenancing smuggling of the most flagrant character, and in restoring public opinion upon this important subject to a sound and healthful state.

The district of Champlain extends from the shores of Lake Champlain to the river St. Lawrence. The waters falling into the former, are separated from those falling into the latter, by a mountainous range which, in a great measure insulates the one from the other.

It is therefore deemed expedient to form another collection district of that part of the Champlain district which lies west of that range, including the northern part of the district of which Ogdensburg is the port of entry.

From information obtained from the gentlemen who traversed the lakes during the summer and autumn of 1816, as far as Lake Superior, for the purpose of determining the boundaries of the United States, according to the provisions of the treaty of Ghent, it is believed that the public interest requires, that a collection district should be formed, comprehending the shores and waters of that part of Lake Superior lying within the United States, and the western shore of Lake Huron; the port of entry of the district to be at the falls of St. Mary, on the water communication between those lakes.

Another collection district also appears to be necessary in the western extremity of the state of Louisiana. That section of the country has lately been the scene of the most active smuggling, especially in African slaves from Galveztown. Although the suppression of that establishment may for some time check the smuggling practices which have been carried on in that quarter, yet there is just ground to apprehend, that they will be resumed from other points of the same coast, unless suitable measures of prevention are adopted.

The act of 1799, in the 58th section, fixes the tare which shall be allowed upon packages, casks, &c. therein described, containing

articles paying specific duties. The enumeration, however, is, by practice, found to be imperfect. The defects have been supplied by regulation, which is probably not uniform in all the parts. The statement A, hereto annexed, presents a list of the principal items embraced by those regulations.

The act of the 27th of March, 1804, which imposes specific duties upon a great variety of articles which before paid ad valorem duties, has made no provision for ascertaining the tare of such articles, when imported in packages, casks, &c. Statement B, contains an enumeration of those articles, with the tare allowed by regulation. The propriety of establishing those rates by law, is respectfully suggested.

Under the navigation act, vessels employed in the coasting trade are subject to a tonnage duty of fifty cents, unless the officers and three-fourths of the crews are American citizens. This duty is to be paid upon every voyage by registered vessels, and once a year by licensed vessels. The proof is to be made by the collector, to whom the duty is payable. This proof is much more easily made at the port to which the vessel belongs, than at the port to which it is bound. It seems, therefore, to be expedient that the proof of citizenship should be tendered to the collector of the port from whence the vessel sails. The certificate of the collector should be considered a satisfactory evidence by the collector of the port to which the vessel is bound, unless where the contrary should be made to appear. Every change, in the officers or crew, should be certified by the collector of the port where such change is made. It is only by recording such changes, as they occur, and certifying the character of the crew as often as they happen, that it is possible for a licensed vessel to exempt itself from the payment of fifty cents per ton.

The act of 1793, for registering and licensing vessels, is considered defective, by reason of not defining, with sufficient accuracy, the condition upon which the bonds should be forfeited. It is understood that the courts have declared them void.

The bond for delivering the register of a vessel, sold to foreigners, does not fix the time within which the register shall be surrendered, and is, therefore, generally nugatory. There is no remedy against the discharge of American seamen in foreign ports, where the vessel is sold. If the bond should embrace this object, and should be forfeited in six months after the sale of the vessel, if the register should not be delivered within that time, where the sale was made in Europe, and twelve, in countries beyond the Cape of Good Hope, the object contemplated by requiring the bond, might be secured. The party might be permitted to send the sailors home at his own expense, and avoid the penalty of the bond, so far as that condition was concerned.

The forfeiture of four hundred dollars, for departing from a port to which a vessel has cleared, and in which it has arrived, without entering, is believed to be inadequate to the object.

The act of Congress, intended to secure to the United States a priority over individual creditors, in the recovery of debts, in all cases of the insolvency of its debtors, has been found to be inadequate to the object for which it was enacted. This has arisen, in some degree, from the provisions of some of the state laws, by which liens are obtained, by taking out attachments, which are levied upon the property of their debtors, when upon the brink of insolvency, or immediately after such insolvency is known.

As no doubt is entertained of the justice and propriety of securing this legal priority, in all cases connected with the revenue, or with the tenure by which offices are held under the United States, the expediency of revising the act relating to this subject, in order to render it effectual, is respectfully suggested.

It may be proper, in closing this report, to bring into view subjects, which, though not strictly embraced by the resolution, may be considered as fairly incidental to it. Among these may be mentioned the inconvenience and loss to which the Treasury is subjected, by suffering, in particular states, landed property to be set over to the United States, upon appraisements, in discharge of debts, arising from custom house bonds. The property is always appraised for more than it will sell; it has, therefore, been generally retained, with a view to realize the sum at which it has been received. In the mean time, for the want of proper agents, or indeed agents of any kind, it remains not only unproductive, but generally becomes less valuable. This principle seems to have been adopted from a respect to the state laws. Its inequality is, however, a sufficient argument against its continuation, independent of the loss which the Treasury suffers from it. In some of the states, where the United States are subjected to this inconvenience, the states have taken better care of their own interests, by excepting them from the operation of it. If the law, in this regard, is not changed, it will be necessary to authorize the appointment of agents in those states, to take charge of the real property of which the United States are already, or may hereafter, become the owners, or else it will be necessary to make sale of them, with as little delay as possible, without regard to the loss which may be incurred.

If it is judged expedient to legislate upon the subject, it may be proper to authorize the sale of those lands by the marshal, with the powers to make titles to the purchaser. Under the existing laws the practise is, for the Secretary of the Treasury to execute the titles.

Should the principal provisions which are recommended be adopted, the importance of public warehouses will be greatly increased.

The appropriation which was made for that object, in the year 1816, was applied, by the late Secretary of the Treasury, to the purchase of customhouses and warehouses, in Boston, New York, and Philadelphia. Measures have been taken, during the last year, to build, or to procure, suitable establishments for the same purpose;

in Baltimore and in Charleston. Statement C, which is annexed, shows the application of the sum appropriated, and an estimate of the sum necessary for the accomplishment of the object for which it was made. It may be proper to observe, that a considerable expenditure will be necessary in Philadelphia before the object of the appropriation can be effected.

Statement D, shows the application of the appropriation of \$ 50,000, for purchasing, or erecting, for the use of the United States, suitable buildings for customhouses and public warehouses, in such principal district, in each state, where the Secretary of the Treasury shall deem it necessary, for the safety and convenient collection of the revenue.

Under this appropriation, customhouses and public warehouses have been purchased at Portsmouth, in New Hampshire, and in New Haven, in Connecticut. Lots have been purchased in Providence, in Rhode Island, and in Norfolk, in Virginia. In the former, a contract will shortly be made for the erection of the building. The price of suitable lots in Norfolk and in Savannah, and the high price demanded for the erection of buildings, in those places, will not authorize the Department to enter into any engagements for the erection of necessary buildings, until it is ascertained whether an additional appropriation will be made for that object. It may not be improper to state, that, in some of the ports to the eastward, houses and lots have been set over to the United States, which are represented to be suitable to the object in question. The commerce, however, of those ports is inconsiderable, and probably will remain so for many years.

All which is respectfully submitted,

WM. H. CRAWFORD,

*Treasury Department, January 17, 1818.*

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[CIRCULAR.]

*Treasury Department,*

*May 7, 1817.*

SIR,

A general impression appears to prevail in all the commercial cities, that frauds upon the revenue are committed to considerable extent, by invoicing merchandise paying an ad valorem duty, which costs less than twenty-five cents the yard, with those which exceed that price, so as to produce an average value above twenty-five cents the yard, and thereby introduce coarse and cheap fabrics without paying the duty contemplated by the tariff. According to the same impression, frauds of a more glaring nature are frequently committed upon the revenue, especially in importations upon consignment, by the in-

roduction of articles not described in the invoices, which, from the imperfect manner in which the inspection of the packages are made, escape with impunity. It is possible that this impression may not be correct to the extent that it has been made, but it is believed that a due regard to public opinion upon this subject, requires that a more rigid inspection than has heretofore been made should now be attempted, with a view to detect the frauds which are supposed to be practised. It is therefore proposed, 1st, that a certain proportion of the packages which contain goods subject to ad valorem duties, shall be selected from each invoice by the collector, which shall be strictly inspected, with a view to detect frauds which may be attempted by putting in the same invoice goods of greater and less price than twenty-five cents a yard.

2d. That a certain proportion of packages paying specific duties be designated in like manner by the collector, which shall be thoroughly examined, for the purpose of detecting any attempt which may be made to smuggle articles not described in the invoice.

3d. That the proportion of packages to be designated by the collector, on importations upon consignment, be double the number when the person who enters them is the owner and importer.

4th. That in all cases of consignment the packages designated shall be lodged in the public warehouses until the inspection be made.

5th. That every importation shall be deemed to be upon consignment, unless the person who makes the entry shall expressly negative the fact in oath of entry.

In order that the inspection directed for detecting frauds of the first kind may be skilfully executed, the inspector whose habits and information qualify him for the discharge of that duty, and in whose judgment and fidelity you have most implicit confidence, should be exclusively employed for that purpose.

As it is an object of importance that the revenue system should be rendered as perfect as possible, and that every attempt to evade the provisions of the existing laws should be known, you are requested to communicate to this department every circumstance of that nature, accompanied by suggestions of the provisions necessary to repress the evil.

I am, very respectfully, Sir,

Your obedient servant,

(Signed)

WM. H. CRAWFORD.

## A.

Sugar, in canisters,	40 each.
seroons	8 per cent.
Cocoa, in seroons	8
Cheese, in casks	15
Indigo, in cases	15
Twine, in cases	15

## B.

*Tares allowed by Custom.*

Almonds, bags,	$\frac{1}{4}$ per ct.	Powder, whole hundred	23 each.
frails	10	Plumbs, boxes	- 8 per ct.
casks	15	Prunes, boxes	- 8
Cassia, Chinese, boxes	18	Raisins, boxes	- 15
matts	6	jars	- 18 each
Cinnamon, boxes	25	casks	- 12 per ct.
Cloves, casks	12	frails	- 4
bags	4	drums	- 10
Currants, casks	12	Spanish brown, casks	12 each
boxes	10	Sheet iron, boxes	8
Figs, boxes	10	Tallow, casks	- 12 per ct.
mats or frails	4	seroons	8
Glue, casks	20	tubs	- 15
boxes	15	Fish, dry, casks	12
Lead, white, in oil	8	boxes	12
dry	6	Snuff, casks	- 12
red	5	boxes	- 15
Mace, casks or boxes	18	Almonds, cases	8
Nutmegs, casks	12	Steel, cases	- 8
bags	4	Spanish brown, in oil,	
Ochre, yellow, in oil	12	and in kegs	8
dry	10	Figs, casks	- 12
Powder, gun, qr. casks	5 each	Almonds, seroons	10
half hundred	9	Figs, drums	- 8

July 25, 1804.

## C.

Amount of moneys expended under the appropriation of \$250,000 for providing suitable buildings for the custom houses at Boston, New York, &c.

Amount of appropriation	-	-	-	\$ 250,000
Expenditures:				
At Boston	-	-	-	29,000
New York	-	-	-	70,000
Philadelphia	-	-	-	33,600 50
Baltimore	-	-	-	50,000
				<hr/> 182,600 50
				<hr/> Unexpended balance \$ 67,400 50

In conjunction with the abovementioned balance, it is estimated that there will be required the further sum of \$ 87,600 50 for the following ports, viz:

Baltimore	-	-	-	\$ 20,000
Philadelphia	-	-	-	75,000
Charleston	-	-	-	60,000
				<hr/>

## D.

Statement of moneys expended and contracted to be expended under the appropriation of \$ 50,000, for purchasing or erecting suitable buildings for custom houses and public ware houses, &c.

At Portsmouth, N. H.	-	-	\$ 8,000
Providence	-	-	3,000
New Haven	-	-	5,000
Norfolk	-	-	9,000
			<hr/> \$ 25,000

It is estimated that, in addition to the unexpended balance of the abovementioned appropriation, the further sum of seventy-five thousand dollars will be required to accomplish the object.